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Attorneys for Debtors and  
Debtors in Possession

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----X	:	
In re	:	Chapter 11
	:	
FINLAY ENTERPRISES, INC., <u>et al.</u> ,	:	Case No. 09-14873 (JMP)
	:	
Debtors.	:	(Jointly Administered)
	:	
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**NOTICE OF APPLICATION PURSUANT TO SECTION 327(a)  
OF THE BANKRUPTCY CODE FOR AUTHORIZATION TO  
RETAIN AND EMPLOY ASSET DISPOSITION ADVISORS LLC  
AS ASSET DISPOSITION ADVISOR AND CONSULTANT FOR  
THE DEBTORS *NUNC PRO TUNC* TO THE COMMENCEMENT DATE**

**PLEASE TAKE NOTICE** that on August 25, 2009, Finlay Enterprises, Inc. ("*Finlay*") and its affiliates in the above referenced chapter 11 cases, as debtors and debtors in possession (collectively, the "*Debtors*") filed the Application Pursuant to Section 327(a) of the Bankruptcy Code for Authorization to Retain and Employ Asset Disposition Advisors LLC as Asset Disposition Advisor and Consultant for the Debtors *Nunc Pro Tunc* to the Commencement Date (the "*Application*") with the United States Bankruptcy Court for the Southern District of New York (the "*Court*").

**PLEASE TAKE FURTHER NOTICE** that a hearing to consider the Application has been scheduled for **Thursday, September 25, 2009 at 10:00 a.m. (Eastern Time)** before the Honorable, James M. Peck, United States Bankruptcy Judge, One Bowling Green, Room 610, New York, New York 10004 (the "*Hearing*"), which Hearing may be adjourned from time to time without further notice other than an announcement at the Hearing.

**PLEASE TAKE FURTHER NOTICE** that objections to the Application, if any, shall be in writing, shall conform to the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and the Local Rules of the Bankruptcy Court for the Southern District of New York, shall set forth the name of the objecting party, the basis for the objection and the specific grounds thereof, shall be filed with the Bankruptcy Court electronically in accordance with General Order M-242 (which can be found at [www.nysb.uscourts.gov](http://www.nysb.uscourts.gov)) by registered users of the Bankruptcy Court’s case filing system and by all other parties in interest, on a 3.5 inch disk, preferably in Portable Document Format (PDF), WordPerfect, or any other Windows-based word processing format (with two hard copies delivered directly to Chambers), and shall be served upon: (i) the attorneys for the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153 (Attn: Lori R. Fife, Esq. and Shai Y. Waisman, Esq.), (ii) the Office of the United States Trustee, 33 Whitehall Street, 22nd floor, New York, New York 10004 (Attn: Paul Schwartzberg, Esq.); (iii) the attorneys for GECC, Latham & Watkins LLP, 233 South Wacker Drive, Suite 5800, Chicago, Illinois 60606 (Attn: Douglas Bacon, Esq.); (iv) the attorneys for Wilmington Trust Company, as successor trustee under that certain second lien indenture dated as of November 26, 2008, Sonnenschein Nath & Rosenthal LLP, 1221 Avenue of the Americas, New York, New York 10020 (Attn: Michael R. Carney, Esq. and David F. Yates, Esq.); (v) the attorneys for HSBC Bank USA, Pryor Cashman LLP, 7 Times Square, New York, New York 10036 (Attn: Michael Fruchter, Esq.); (vi) attorneys for the official committee of unsecured creditors appointed in these chapter 11 cases, Moses & Singer LLP, the Chrysler Building, 405 Lexington Avenue, New York, New York 10174 (Attn: Lawrence L. Ginsburg, Esq. and Christopher J. Caruso, Esq.); and (vii) Asset Disposition Advisors LLC, 2485 Matterhorn Drive, Wexford, Pennsylvania 15090 (Attn: Barry Gold), so as to be so filed and received by no later than **Friday, September 4, 2009 at 5:00 p.m. (Eastern Time)**.

**PLEASE TAKE FURTHER NOTICE** that if no objections to the Application are timely filed, served and received in accordance with this Notice, the Bankruptcy Court may grant the relief requested in the Application without further notice or hearing.

Dated: August 25, 2009  
New York, New York

/s/ Lori R. Fife  
\_\_\_\_\_  
Lori R. Fife  
Shai Y. Waisman  
WEIL, GOTSHAL & MANGES LLP  
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Attorneys for Debtors  
and Debtors in Possession

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Lori R. Fife  
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Attorneys for the Debtors  
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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<b>In re</b>	:
	:
<b>FINLAY ENTERPRISES, INC., et al.,</b>	:
	:
<b>Debtors.</b>	:
	:
	:
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	<b>Chapter 11 Case No.</b>
	<b>09-14873 (JMP)</b>
	<b>(Jointly Administered)</b>

**APPLICATION PURSUANT TO SECTION 327(a)  
OF THE BANKRUPTCY CODE FOR AUTHORIZATION TO  
RETAIN AND EMPLOY ASSET DISPOSITION ADVISORS LLC  
AS ASSET DISPOSITION ADVISOR AND CONSULTANT FOR  
THE DEBTORS NUNC PRO TUNC TO THE COMMENCEMENT DATE**

TO THE HONORABLE JAMES M. PECK,  
UNITED STATES BANKRUPTCY JUDGE:

Finlay Enterprises, Inc. ("Finlay Enterprises") and its affiliated debtors in the  
above-referenced chapter 11 cases, as debtors and debtors in possession (together, "Finlay" or  
the "Debtors"), respectfully represent:

**Background**

1. On August 5, 2009 (the "Commencement Date"), the Debtors each  
commenced with this Court a voluntary case under chapter 11 of title 11 of the United States  
Code (the "Bankruptcy Code"). The Debtors are authorized to operate their businesses and

manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. The Debtors' chapter 11 cases are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

### **Jurisdiction and Venue**

3. This Court has subject matter jurisdiction to consider and determine this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

### **Finlay's Businesses**

4. Founded in 1887 as a mail order jeweler, Finlay is one of the leading retailers of fine jewelry in the United States. Historically, Finlay operated in two business segments: licensed departments in major department stores and stand-alone specialty jewelry stores. Today, Finlay sells a broad range of moderately-priced jewelry at approximately 75 department stores and also operates approximately 105 stand-alone jewelry stores doing business as Bailey Banks & Biddle, Carlyle & Co. Jewelers LLC, and L. Congress, Inc.

5. As of July 4, 2009, the Debtors' unaudited consolidated financial statements reflected assets totaling approximately \$332 million and liabilities totaling approximately \$385 million.

6. Additional information regarding the events leading up to the Commencement Date and the facts and circumstances supporting the relief requested herein are set forth in the Affidavit of Arthur E. Reiner Pursuant to Rule 1007-2 of the Local Bankruptcy Rules for the Southern District of New York in Support of First-Day Motions and Applications, sworn to on August 5, 2009.

### **Retention of Asset Disposition Advisors LLC**

7. By this Application, the Debtors seek to employ and retain, *nunc pro tunc* to the Commencement Date, Asset Disposition Advisors LLC (“ADA”) to provide necessary asset disposition advisory and consulting services to the Debtors in these chapter 11 cases pursuant to section 327(a) of the Bankruptcy Code and the terms of the engagement letter among ADA and the Debtors dated February 20, 2009 (the “ADA Agreement”) attached hereto as Exhibit “A”. The services of ADA are necessary in order to assist the Debtors in executing their duties as debtors in possession.

8. ADA is well-qualified to serve as the Debtors’ asset disposition advisor and consultant. ADA’s professionals have provided strategic advice to debtors and other entities in numerous chapter 11 cases of similar size and complexity to the Debtors’ cases.

9. As set forth in the ADA Agreement, the Debtors engaged ADA to: (i) consult with the Debtors on the formulation and solicitation of strategic activities relating to store closings and disposition of inventory and other personal property, including the preparation of due diligence and related offering materials and the evaluation of any offers received; (ii) coordinate the closing of certain of the Debtors’ locations, and assist the Debtors in developing a program to dispose of the assets in those locations; and (iii) assist with the disposition of other assets as may be identified by the Debtors.

10. The Debtors anticipate that during their chapter 11 cases ADA will render asset disposition services to the Debtors as described below. Such services are not duplicative in any manner with the services to be performed by the other professionals retained by the Debtors in these chapter 11 cases. The Debtors and ADA will undertake every reasonable effort to avoid any duplication of services.

11. All of the services that ADA will provide to the Debtors will be: (i) appropriately directed by the Debtors so as to avoid duplicative efforts among the professionals retained in these chapter 11 cases; and (ii) performed in accordance with applicable standards of the profession. As more fully described in the ADA Agreement, the Debtors anticipate ADA will provide the following services:

- a. advise the Debtors regarding the disposition of selected business assets, including inventory, furniture, fixtures and equipment;
- b. advise the Debtors with respect to any issues associated with any planned store closures;
- c. identify and contact proposed purchasers of assets, including stores selected for closure;
- d. review and inspect the Debtors' assets as may be requested from time to time by the Debtors, including, but not limited to inventory, fixed assets and other assets;
- e. consult, as requested, with the Debtors and the Debtors' other retained advisors as to the evaluation, valuation and, where appropriate, disposition of certain of the Debtors' intellectual property and such other tangible and intangible assets as may be requested by the Debtors from time to time; and
- f. attend meetings, as requested, with the Debtors, their lenders, any official or unofficial committee of creditors that may be appointed and other parties in interest.

12. ADA's decision to accept this engagement is contingent upon its ability to be retained in accordance with its customary terms and conditions of employment and to be compensated for its services and reimbursed for the out-of-pocket expenses it incurs in accordance with its customary billing practices which are outlined in the appended Affidavit of Barry Gold (the "Gold Affidavit"), filed in support of this Application and incorporated herein by reference.

13. As more fully described in the ADA Agreement, in consideration of the services provided, the Debtors have agreed to pay ADA's actual and reasonable out-of-pocket expenses and hourly rates based on the following table:

Barry Gold (Principal)	\$695.00/hr
Paul Traub (Sr. Consultant)	\$695.00/hr
Steven E. Fox (Sr. Consultant)	\$650.00/hr
Maura I. Russell (Sr. Consultant)	\$650.00/hr
Consultants	\$625.00-\$300.00/hr
Support Staff	\$90.00 to \$250.00/hr

14. In addition to the proposed fees, the Debtors have agreed to maintain a \$150,000 retainer with ADA.

15. Pursuant to the ADA Agreement, subject to Court approval, the Debtors have also agreed to indemnify ADA from and against any losses, expenses, damages, penalties, costs, or claims of any kind or nature brought by any party in connection with ADA's performance under the ADA Agreement, other than claims resulting from the gross negligence, breach of fiduciary duty, self-dealing or willful misconduct of ADA. The Debtors submit that such indemnification is standard in ADA's industry and that the provisions of such indemnification are fair and reasonable considering ADA's qualifications and the expectations of other asset disposition advisors in connection with engagements of this scope and size. Accordingly, the Debtors request that the Court approve ADA's terms of engagement as set forth in the ADA Agreement.

16. The Debtors understand that ADA will seek interim and final allowance of compensation and reimbursement of expenses pursuant to sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules for the Southern District of New York, any guidelines established by the United States Trustee for the Southern District of New York (the "U.S. Trustee"), and further orders of this Court.

17. To the best of the Debtors' knowledge, information and belief, ADA has no connection with, and holds no interest adverse to, the Debtors, its estates, its creditors, or any other party in interest, or its respective attorneys or accountants in the matters for which ADA is proposed to be retained, except as disclosed in the Gold Affidavit.

18. To the best of the Debtors' knowledge, ADA is a "disinterested person," as such term is defined in section 101(14) of the Bankruptcy Code and as required under section 327(a) of the Bankruptcy Code. ADA has reviewed its databases and, as further described in the Gold Affidavit, provided disclosure regarding connections it may have had with potential parties in interest. To the extent that ADA discovers any additional material relationships bearing on the matters described in the Gold Affidavit during the period of ADA's retention, ADA will use reasonable efforts to supplement the information provided in the Gold Affidavit.

19. The Debtors submit that the appointment of ADA on the terms and conditions set forth herein and the ADA Agreement is in the best interest of the Debtors, its creditors, and all parties in interest.

### **Notice**

20. No trustee or examiner has been appointed in these chapter 11 cases. The Debtors have served notice of this Motion on (i) the U.S. Trustee, (ii) the attorneys for General Electric Capital Corporation, as agent under that certain Fourth Amended and Restated Credit Agreement dated as of November 9, 2007, (iii) the attorneys for Wilmington Trust Company, as successor trustee under that certain second lien indenture dated as of November 26, 2008, (iv) the attorneys for HSBC Bank USA, as trustee under that certain third lien indenture dated as of November 26, 2008, (v) the attorneys for the official committee of unsecured creditors appointed in these chapter 11 cases, (vi) the U.S. Securities and Exchange Commission, and (vii) all parties



entitled to notice pursuant to this Court's Order Implementing Certain Notice and Case Management Procedures dated August 6, 2009. The Debtors submit that no other or further notice need be provided.

21. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

WHEREFORE the Debtors respectfully request that the Court grant the relief requested herein and such other and further relief as it deems just and proper.

Dated: August 24, 2009  
New York, New York

Finlay Fine Jewelry Corporation,  
(for itself and on behalf of its affiliated  
Debtors and Debtors in Possession)

By: /s/ Arthur E. Reiner  
Arthur E. Reiner, President and Chief Executive  
Officer

**Exhibit A**  
**ADA Agreement**

**ASSET DISPOSITION ADVISORS, LLC**  
**2485 Matterhorn Drive**  
**Wexford, PA 15090**  
**Tel: (724) 413-5783**

February 20, 2009

Mr. Art Reiner  
Chairman and Chief Executive Officer  
Finlay Fine Jewelry Corporation  
529 Fifth Avenue  
New York, NY 10017

Mr. Joseph Melvin  
President and Chief Operating Officer  
Finlay Fine Jewelry Corporation  
529 Fifth Avenue  
New York, NY 10017

Mr. Anthony M. Horvat  
NachmanHayesBrownstein, Inc.  
822 Montgomery Avenue  
Suite 204  
Narberth, PA 19072

Re: Engagement of Asset Disposition Advisors LLC

Gentlemen:

Asset Disposition Advisors LLC ("ADA") is pleased to put forth the following proposal to provide certain strategic asset disposition advisory and consulting services to Finlay Fine Jewelry Corporation (the "Company") in connection with the Company's restructuring and reorganization efforts. As you are aware, ADA, though its principal and consultants have extensive experience in the liquidation and other disposition of jewelry assets, including but not limited to representing Whitehall Jewelers, Inc. and Zale Corporation in connection with their downsizing efforts.

***Description of Services***

While we are available to provide a full range of services as may be desired by the Company, at this time, we are being retained in the following specific areas: (1) consulting with the Company on the formulation and solicitation of strategic asset sale transaction activities relating to store closings and disposition of inventory and other personal property, including the preparation of due diligence and related offering materials and the evaluation of any offers that may be received; (2) coordinating the closing of certain locations selected by the Company, and assisting the Company in developing a program to dispose of the assets in these locations in order to maximize their value for the benefit of the Company and its creditors; and (3) assisting with the disposition of other assets as may be identified by the Company.

In particular, ADA will provide the following services:

- Advise the Company regarding the disposition of selected business assets, including designated inventory, furniture, fixtures and equipment; and

- review and advise with respect to issues associated with any planned store closures, including timing and coordination.
- Identify and contact proposed purchasers of select business operations or assets, including stores selected for closure:
  - assist in the preparation of an appropriate information package for distribution to potential bidders;
  - review bid proposals and assist in negotiations with the various parties to ensure recoveries are maximized;
  - assist in the documentation of any transaction involving the liquidation of inventory and review pleadings that may need to be filed with a court in order to effectuate same;
  - assist the Company with the preparation of any designated stores for a physical inventory, and attend observe and supervise if necessary, physical inventories that may be taken;
  - monitor the conduct and results of any third party selected to liquidate any inventory and fixed assets; and
  - advise the Company with respect to the reconciliation of any inventory counts and/or sales and assist the Company as it relates to any negotiations with respect thereto.
- Review and inspect the Company's assets as may be requested from time to time by the Company, including, but not limited to:
  - inventory;
  - fixed assets;
  - etc.
- Consult, as requested by the Company, with the Company and the Company's other retained advisors as to the evaluation, valuation, and where appropriate disposition of certain of the Company's leasehold interests or fee owned properties.
- Attend meetings, as requested, with the Company, its lenders, the any official or unofficial committee of creditors that may be appointed, potential investors, and other parties in interest.

ADA will provide services to the Company in these matters as may be directed, or as may be necessary to anticipate and respond to the Company's needs. All the services rendered by ADA are designed to provide operational, strategic and financial consulting assistance to the Company in the restructuring process, so that management can focus its primary efforts on the on-going daily requirements of operating the business. ADA will coordinate closely with the Company's other retained restructuring professionals to ensure duplication of effort is avoided.

### ***Staffing, Fees, Retainer and Expenses***

Barry Gold, principal of ADA, will lead this engagement with the assistance of Paul Traub, Steven Fox and/or Maura Russell, each a Senior Consultant with ADA<sup>1</sup>. Additional staffing, if and when required, will be provided by other personnel possessing the requisite skills and experience necessary to achieve the objectives set forth above in the most expeditious and effective manner. In exchange for the services you request, we shall be paid a sum equal to the actual hours expended multiplied by our standard hourly rates; provided however, travel time during which no work is being performed shall be billed at half of the billing party's standard hourly rate (hereinafter, the "Base Fee"). ADA's current hourly rates are as follows:

Barry Gold (Principal)	\$695.00/hr
Paul Traub (Sr. Consultant)	\$695.00/hr
Steven E. Fox (Sr. Consultant)	\$650.00/hr
Maura I. Russell (Sr. Consultant)	\$650.00/hr
Consultants	\$625.00-\$300.00/hr
Support Staff	\$90.00 to \$250.00/hr

### ***Discretionary Bonus***

In addition to our entitlement to receive compensation based upon our customary hourly rates, in the event of a successful outcome in this engagement we may request that we be paid certain additional compensation in the nature of a "success fee", in an amount to be agreed upon by us and the Company; provided, however, the amount and payment of any such "success fee" shall be in the sole discretion of the Company, and in the event of a Chapter 11 Filing, any such request shall be the subject to the filing of a fee application and the approval and payment thereof shall be subject to Bankruptcy Court approval.

We will invoice the Company on a monthly basis. Except as set forth below in the event the Company commences a Chapter 11 Case (as defined below), the fees and expenses incurred by ADA shall be paid promptly upon submission of an invoice therefor. In addition to the foregoing, we shall be entitled to prompt reimbursement of our actual and reasonable out-of-pocket expenses.

You have agreed that upon execution and delivery of this letter agreement to wire to our account the sum of \$100,000 as an initial retainer to be held on account by us pending delivery of periodic invoices as provided herein; provided however, the Company agrees that ADA shall be entitled to retain this retainer balance on an "evergreen" basis, such that the Company will replenish the subject retainer from time to time in order to maintain it at \$100,000. In the event that the Company commences a Chapter 11 Case, the Company agrees that prior to the commencement of such proceeding, the Company shall replenish and increase the amount of the retainer to \$200,000. All time charges and disbursements will be applied against the retainer, with any amounts in excess of the retainer to be paid promptly as provided above. For your convenience, we have attached our wiring instructions to this letter for your use in tendering payment of the agreed upon retainer amount.

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<sup>1</sup> Paul Traub, Steven Fox and Maura Russell are all Contract Partners and practicing attorneys at Epstein, Becker & Green, P.C. and are retained by ADA to serve as consultants in engagements such as this engagement. For the avoidance of any doubt, notwithstanding their respective legal training, neither Paul Traub, Steven Fox or Maura Russell shall be acting as attorneys in this matter and thus all services rendered shall be rendered in their capacity as consultants to the Company and not as counsel to the Company

### ***Additional Terms***

Prior to the Company commencing a chapter 11 case(s) ("Chapter 11 Case") pursuant to Title 11, United States Code, 11 U.S.C. §§101, *et seq.* (the "Bankruptcy Code"), any unpaid fees shall be paid to ADA and the initial retainer shall be replenished and increased to \$200,000. After the Filing Date, the Company shall file a motion with the Court seeking the issuance and entry of an order, pursuant to §§ 327, 330 and 331 of the Bankruptcy Code, *inter alia*, assuming this Agreement and authorizing and approving the Company's retention and employment of ADA pursuant to the terms and provisions of this Agreement. Upon the commencement of a Chapter 11 Case, all compensation otherwise payable in accordance with this Letter Agreement shall be subject to the approval of the Bankruptcy Court, pursuant to §§ 330 and 331 of the Bankruptcy Code, the Local Rules of the Bankruptcy Court, applicable U.S. Trustee guidelines, or such other procedural order(s) as may be entered by the Bankruptcy Court.

ADA agrees that it will act as an independent contractor pursuant to this Letter Agreement and that nothing herein shall create an agency relationship between the Company and ADA. Furthermore, ADA understands that it has no authority to make or imply any commitments that are binding upon the Company, and agrees that it will act only at the Company's direction, and that the Company will have full decision-making authority with respect to all matters within the scope of this Letter Agreement.

ADA shall be indemnified and held harmless by the Company from and against any and all losses, reasonable expenses, actual direct damages, penalties, costs, or claims of any kind or nature whatsoever that may be imposed on, incurred by or asserted against ADA arising out of or in any way relating to ADA's performance hereunder or the consulting arrangement contemplated hereby, provided that the Company shall not be liable for any of the foregoing arising from the gross negligence, breach of fiduciary duty, self-dealing or willful misconduct of ADA; provided, however, in the event the Company commences the Chapter 11 Case, all requests by ADA for payment of indemnity pursuant to the Agreement shall be made by means of an application (interim or final, as the case may be) and shall be subject to review by the Bankruptcy Court to ensure payment of such indemnity conforms to the terms of this Agreement and is reasonable based upon the circumstances of the claim, litigation or settlement in respect of which indemnity is sought. In no event shall ADA be indemnified in the case if the Company or a representative of the Company's chapter 11 estate asserts a claim for, and a court determines by final order that such claim arose out of or related to, ADA's own bad-faith, breach of fiduciary duty (if any), gross negligence or willful misconduct. In the event that ADA seeks reimbursement of attorneys' fees as part of any indemnification claim under this Agreement, the invoices and supporting time records from such attorneys shall be included in ADA's own interim or final application(s) under which it seeks such indemnification, and such invoices and time records shall be (i) maintained in accordance with the U.S Trustee's guidelines for compensation of professionals and reimbursement of expenses, (ii) subject to the approval of the Bankruptcy Court under the standards of §§ 330 and 331 of the Bankruptcy Code, without regard to whether such attorney(s) have been retained under § 327 of the Bankruptcy Code, and without regard to whether such attorneys' services satisfy § 330(a)(3)(C) of the Bankruptcy Code.

*Additional Disclosures*

By way of full disclosure, please note that, Paul Traub, Steven Fox, and Maura Russell, through their legal practice with Epstein, Becker & Green, P.C. and/or at their predecessor law firms, namely the Traub Group at Dreier LLP and/or Traub, Bonacquist & Fox, LLP (collectively, the "Traub Group Legal Practice"), currently does, has in the past, and will continue from time-to-time to represent certain of the national inventory liquidation firms in matters unrelated to the Company and/or its assets. In addition, and as we have previously disclosed to the Company, ADA, Matterhorn Retail Consulting Services, LLC (a separate consulting Company of which Barry Gold is the principal) and the Traub Group Legal Practice have in the past, and may from time-to-time in the future, represent or act as consultants to General Electric Capital Corporation and certain of its affiliates (collectively, "GE"), and other asset based lenders, in matters unrelated to the Company, neither ADA nor the Traub Legal Practice have any active representations of GE or other asset based lending groups. Matterhorn Retail Consulting Services, LLC does currently have an active consulting engagement with GE in the Gottschalks case, on matters unrelated to the Company. However, ADA submits that notwithstanding these unrelated representations no conflict exists that would preclude or interfere with ADA's providing consulting services to Company in this matter.

This Letter Agreement may be terminated by ADA or the Company, with or without cause, upon providing thirty days written notice.

This Letter Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to its conflict-of-law rules.

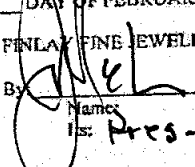
We are prepared to commence this engagement immediately, and look forward to working with you and your team.

Very truly yours,

*Barry Gold*  
Barry Gold

AGREED TO AND ACCEPTED THIS  
DAY OF FEBRUARY 2009:

FINLAY FINE JEWELRY CORPORATION.

By   
Name:  
Is: Pres-LOD

cc: Paul Traub  
Maura L. Russell

**Wiring instructions for ADA**

Citibank, N.A.  
330 Madison Avenue  
New York, New York 10017  
ABA # 021000089  
Acct: Asset Disposition Advisors LLC  
Acct. # 03981633



## **Affidavit of Barry Gold**

WEIL, GOTSHAL & MANGES LLP  
767 Fifth Avenue  
New York, New York 10153  
Telephone: (212) 310-8000  
Facsimile: (212) 310-8007  
Lori R. Fife  
Shai Y. Waisman

Attorneys for the Debtors  
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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<b>In re</b>	:
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<b>FINLAY ENTERPRISES, INC., et al.,</b>	:
	:
<b>Debtors.</b>	:
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	:
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	<b>Chapter 11 Case No.</b>
	<b>09-14873 (JMP)</b>
	<b>(Jointly Administered)</b>

**AFFIDAVIT OF BARRY GOLD IN SUPPORT OF DEBTORS' APPLICATION  
PURSUANT TO SECTION 327(a) OF THE BANKRUPTCY CODE FOR  
AUTHORIZATION TO RETAIN AND EMPLOY ASSET DISPOSITION  
ADVISORS LLC AS ASSET DISPOSITION ADVISOR AND CONSULTANT  
FOR THE DEBTORS *NUNC PRO TUNC* TO THE COMMENCEMENT DATE**

STATE OF NEW YORK     )  
                                  )     ss.:  
COUNTY OF NEW YORK    )

BARRY GOLD, duly sworn, deposes and says:

1. I am the principal of the firm of Asset Disposition Advisors, LLC ("ADA"), with offices at 2485 Matterhorn Drive, Wexford, Pennsylvania 15090.

2. This Affidavit is submitted in support of the Application pursuant to section 327(a) of title 11 of the United States Code (the "Bankruptcy Code") for authorization to retain and employ Asset Disposition Advisors LLC as asset disposition advisor and consultant for the

Debtors *nunc pro tunc* to the Commencement Date (the “Application”),<sup>1</sup> in accordance with the terms and conditions set forth in that certain engagement letter among ADA and the Debtors dated February 20, 2009 (the “ADA Agreement”).<sup>2</sup>

### **Disinterestedness and Eligibility**

3. To the best of my knowledge and belief, ADA is a “disinterested person” as that term is defined in section 101(14) of the Bankruptcy Code in that ADA, its principals, consultants, and employees:

- (a) are not creditors, equity security holders, or insiders of the Debtors;
- (b) are not and have not, within two years before the date of the filing of the petition, been a director, officer, or employee of the Debtors; and
- (c) do not have an interest materially adverse to the interest of the estates or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors, or for any other reason.

4. To the best of my knowledge, formed after reasonable inquiry, neither I nor the firm represents or holds any adverse interest to the Debtors, their creditors, equity security holders, or any parties in interest, or their respective attorneys, in any matter relating to the Debtors or their estates.

5. Except as set forth herein, neither I, nor any principal or consultant thereof, as far as I have been able to ascertain, has any connection with the Debtors, their creditors, the Office

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<sup>1</sup> Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Application.

<sup>2</sup> As set forth in the ADA Agreement, ADA retains the services of Epstein, Becker, & Green, P.C. (“EBG”), specifically Paul Traub (“Traub”) and Maura I. Russell (“Russell”), to provide consulting services to ADA. Neither EBG, Traub, nor Russell have provided, nor shall they provide throughout the engagement, legal advice to the Debtors and all services rendered by EBG, Traub and/or Russell in connection with this matter are solely as a consultant.

of the United States Trustee for the Southern District of New York (the “U.S. Trustee”), any person employed in the office of the U.S. Trustee or any other party with an actual or potential interest in these chapter 11 cases or their respective attorneys or accountants.

6. As a part of its diverse practice, ADA participates in numerous cases, proceedings and transactions involving attorneys, accountants, investment bankers and financial consultants, some of which may represent claimants and parties in interest in these chapter 11 cases. Further, ADA has in the past, and may in the future, be represented by various attorneys and law firms, some of whom may be involved in these proceedings. In addition, ADA has in the past and will likely in the future work with or against other professionals involved in these cases in matters unrelated to these cases. To the best of my knowledge, none of these business relations constitute interests materially adverse to the Debtors herein in matters upon which ADA is to be employed.

7. In connection with its proposed retention, ADA has researched its client database to determine what, if any, connections it may have with those persons or entities appearing on the list of interested parties annexed hereto as Exhibit “A”. As a result of the research performed to date, ADA makes the following disclosures:

- (a) The Debtors and their Current  
and/or Former Officers and Directors

To the best of my knowledge, formed after reasonable inquiry, neither ADA nor any principal or employee thereof is related to the Debtors or their current and former officers or directors, nor has ADA provided services to the Debtors, their current or former officers or directors in connection with these proceedings except as otherwise noted herein.

(b) The Debtors' 30 Largest Unsecured Creditors (Consolidated Basis)

To the best of my knowledge, formed after reasonable inquiry, ADA has no connection with any of the Debtors' thirty largest unsecured creditors (on a consolidated basis), as identified in Exhibit "A". However, from time to time, certain members and attorneys at EBG represent or have represented various debtors, official and unofficial committees, and individual parties in interest in various in-court and out-of-court restructuring matters in which one or more of the Debtors' largest creditors and/or landlords may have had an interest and/or served as an official or unofficial committee member. In each case any such involvement by such parties was unrelated to do with the Debtors or their chapter 11 cases.

(c) Equity Stockholders in the Debtors

To the best of my knowledge, formed after reasonable inquiry, neither ADA, nor any of its consultants, has a connection with any of the Debtors' equity security holders, as identified in Exhibit "A".

(d) Debtors' Secured Lenders

(i) General Electric Capital Corporation. Both ADA and certain of its consultants have in the past, and may from time-to time in the future, represent or act as consultants to General Electric Capital Corporation and certain of its affiliates (collectively, ("GECC")) in matters unrelated to the Debtors or their assets. ADA currently does not have any active representations of GECC. I am also the principal of Matterhorn Retail Consulting Services, LLC ("Matterhorn"), which has performed services for GECC in the past that are unrelated to the Debtors. Matterhorn currently has no active engagements for GECC.

(i) Except as otherwise noted herein, to the best of my knowledge, formed after reasonable inquiry, ADA has no connection with any of the Debtors' other secured

lenders, as identified in Exhibit “A”.

(e) **Other Lienholders and/or Secured Parties**

Except as otherwise noted herein, to the best of my knowledge, formed after reasonable inquiry, neither ADA, nor any of its consultants, have a connection with any other lienholders and/or secured creditors of the Debtors, as identified in Exhibit “A”.

(f) **Bank Group Members**

(i) Wells Fargo Bank. From time to time, ADA has either (i) provided services to enterprises in which Wells Fargo Bank and/or affiliates thereof, including Wells Fargo Retail Finance, LLC (collectively, “Wells Fargo”), may have been secured lenders to, or (ii) has provided services to other interested parties relating to matters in which Wells Fargo or its affiliates were secured creditors, in each case involving matters unrelated to the Debtors or their chapter 11 cases.

(ii) Other Bank Group Members. Except as otherwise noted herein, to the best of my knowledge, formed after reasonable inquiry, ADA has no connection with any of the Debtors’ other banks identified in Exhibit “A”.

(g) **The Professionals Retained In These Chapter 11 Cases**

From time to time, ADA appears in cases and transactions that have many different attorneys and accountants. Consequently, ADA may have provided services to other parties in interest in matters in which certain of the other retained professionals herein may have been involved, in each case in matters unrelated to the Debtors or their estates.

(h) **Parties That May Have An Interest In The Debtors’ Assets**

From time to time Traub and Russell, Senior Consultants to ADA, in connection with their law practice at EBG (and previous firms) have in the past, and may

continue in the future, represent certain national inventory liquidation firms and/or affiliates thereof, including: Gordon Brothers Retail Partners, LLC; Hilco Merchant Resources, LLC; The Nassi Group, LLC; Tiger Capital Group, LLC; SB Capital Group, LLC; Hudson Capital Partners, LLC; and Great American Group, in each case in matters unrelated to the Debtors, their businesses, their assets, or these chapter 11 cases. The undersigned does not believe the representations of any of the foregoing firms, or joint ventures of which they have been a part, in matters unrelated to the Debtors or these chapter 11 estates is adverse to the Debtors, their creditors or their estates.

### **Professional Compensation**

8. Subject to this Court's approval, in accordance with sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, any applicable Local Bankruptcy Rules for the Southern District of New York, any guidelines established by the United States Trustee for the Southern District of New York, and any further orders of this Court, ADA will seek compensation on an hourly basis, plus reimbursement of its actual and necessary expenses incurred in connection with performing services for and on behalf of the Debtors. Subject to the Court's approval, ADA will bill for services in accordance with its ordinary and customary rates in effect on the date services are rendered, which rates ADA believes are reasonable. In connection with this engagement, ADA's current hourly rates are as follows:

Barry Gold (Principal)	\$695.00/hr
Paul Traub (Senior Consultant)	\$695.00/hr
Maura I .Russell (Senior Consultant)	\$650.00/hr
Consultants	\$650.00 to \$310.00/hr
Support Staff	\$225.00 to \$200.00/hr

ADA's hourly rates are subject to periodic adjustments to reflect economic and other conditions.

9. It is ADA's policy to charge its clients in all areas of practice for expenses incurred in connection with the clients' cases at ADA's cost. The expenses charged to clients include, among other things, telephone and fax charges, mail and express mail charges, special or hand delivery charges, document processing, photocopying charges, travel expenses, and expenses for "working meals" and out of town meals. However, it is ADA's usual and customary practice to bill its clients for non-working travel time at 50% of its ordinary and customary rates in effect on the date such services are rendered.

10. Prior to the Commencement Date, ADA received payments from the Debtors in an aggregate amount of \$1,199,148.57. During the period of February 20, 2009 through August 5, 2009, ADA delivered various invoices to the Debtors for services rendered and reimbursement of out of pocket expenses incurred prior to the Commencement Date in an aggregate amount of \$1,053,674.79. After application of the forgoing invoiced amounts, ADA retained a net retainer balance of \$145,500.78. As a result, ADA is not owed any sums for services provided to the Debtors prepetition.

11. Other than ADA's obligation to compensate EBG for the services of Traub and Russell, no agreement or understanding exists between me, ADA, and any other person for the sharing of compensation to be received in connection with this case.



WHEREFORE, the Affiant respectfully requests that the Court enter an order authorizing the Debtors' employment and retention of ADA as asset disposition advisors and consultants to the Debtors, *nunc pro tunc* to the Commencement Date.

Dated: August 21, 2009

/s/ Barry Gold  
Barry Gold

Sworn to before me  
this 21st day of August 2009:

/s/ Tammy Viergutz  
Tammy Viergutz  
Notary Public – State of Florida  
My Comm. Expires Apr. 24, 2010  
Commission #DD 544410

**Exhibit A**  
**Parties in Interest**

## **Retention Checklist**

### **Debtors, Affiliates and Subsidiaries**

Finlay Enterprises, Inc.  
Finlay Fine Jewelry Corporation  
Finlay Merchandising & Buying LLC  
Finlay Jewelry, Inc.  
eFinlay, Inc.  
Carlyle & Co. Jewelers LLC  
Park Promenade, LLC  
L. Congress, Inc.  
SONAB International, Inc. (non-debtor)  
SONAB Holdings, Inc. (non-debtor)

### **30 Largest Unsecured Creditors (consolidated basis)**

Atlantic Jewelry Co Inc  
B H Multi Com Corp  
Bulova Watch  
Canadian Gem  
Candela Jewelry Inc  
China Pearl Import  
Colibri Group Inc  
Color Craft  
Cybel Trading Corp  
Dalow Industries  
Dialuck Corporation  
Diamonair USA Inc  
EMA Inc  
Envisions LLC  
Julius Klein Diamonds Inc  
Liberty I Exchange  
MJJ Inc  
Movado Group  
NEI Group  
Richline Group  
Richemont North America  
Royal Jewelry Mfg Inc  
Seiko Time  
Seville Watch Corp  
Swiss Army Brands  
Tacori Inc.  
Vaishali Diamond Corp  
Weindling International Corp  
World Wide Inc  
Diamond Source Industries Inc.  
LeVian Corp.

Assurant Solutions  
Lakeview Construction Inc.  
Uni-Creation inc. dba Unidesign  
Richline Bel Oro Intl Inc  
Richline Andin International  
Richline Tru-Kay Mfg  
M Schamroth & Sons  
Yurman Design Inc  
Domushora Inc (Momo Design)  
Jewelmak Inc  
Citizen Watch Company  
Oro Alexander Inc  
Dasan Inc  
IBP Corp f/k/a OTC Int'l Ltd  
Fantasy Diamond Corp  
Lagos  
Lladro Usa Inc  
Merit Diamond Corp  
Chabbott Holdings Ltd  
K & F Inc  
Thien Po Jewelry Ltd  
Shr & Simmons Jewelry Group Llc

**Agent under the Revolving Credit Agreement**

General Electric Capital Corporation (agent)

**Indenture Trustee for Outstanding Securities**

HSBC Bank, USA, N.A.

**Other Secured Lenders**

Deutsche Bank  
GECC  
ABN-AMRO  
JP Morgan Chase Bank, N.A.  
Wachovia Bank, NA  
Well Fargo Foothill, LLC  
Burdale Financial Limited  
The CIT group/Business Credit, Inc.  
North Fork Business Capital Corporation  
Israel Discount Bank of New York

**Secured Noteholders**

Harbinger Capital Partners Special Situations Group LLP  
Coliseum Capital Partners, LP  
Del Mar Distressed Opportunities Fund Limited.

**Senior Unsecured Note Holders**

Harbert Management Corporation  
Muzinich & Company, Inc.  
Deerfield Capital Management  
Stine Seed Farm Inc.  
Nicholas-Applegate Capital Management  
MFS Investment Management  
Chartwell Investment Partners  
B. Riley & Co. LLC  
Morongo Band of Mission Indians  
Sanders Opportunity Fund LP  
Stonegate Capital Management, LLC  
Euroclear Bank  
Aegis Financial Corporation  
UBS Securities LLC  
Danske Bank  
Lehman Brothers Inc.  
Robeco Asset Management  
Credit Suisse First Boston International  
CIBC Asset Management, Inc.  
IMS Capital Management  
Credit Suisse Zurich

**Significant Equity Holders**

Bestinver Gestión S.G.I.I.C. S.A.  
David W. Rose  
Phoenix Investment Adviser LLC  
Cornstein (David B)  
Dimensional Fund Advisors, LP  
Arthur E. Reiner  
LSV Asset Management  
California Public Employees' Retirement System  
Norman S. Matthews  
Joseph M. Melvin  
Leslie A. Philip  
Edward J. Stein  
Bruce E. Zurlnick  
Thomas M. Murnane  
Rohit M. Desai  
Charles Schwab Investment Management, Inc.  
SGAM Alternative Investments S.A.  
Ellen R. Levine

**Taxing Authorities (fed., state, local)**

(A) STATE

AR

Department of Finance & Administration

AL

Department of Revenue

Department of Industrial Relations

AZ

Department of Revenue

DES-Unemployment Tax

AR

Department of Finance

Arkansas Employment Security

CA

Board of Equalization

Franchise Tax Board

Employment Development Dept.

Tax Collector Business Tax Division

CO

Department of Revenue

Colorado State Treasurer

Manager of Revenue

CT

Commissioner of Revenue Service

Department of Revenue

Administrator of Unemploy. Comp.

DE

Division of Revenue

Secretary of State,

Delaware Unemployment Comp Fund

Dept of Labor

DC

Government of District of Columbia

Dept of Employ Sec

Dept. of Finance & Revenue

IA

Treasurer, State of Iowa

Iowa Dept of Job Service

ID

State Tax Commission  
Idaho Department of Employment

FL

Department of Revenue  
Florida Unemployment Comp. Fund  
Florida Dept. of State

GA

Department of Revenue  
State of Georgia  
Georgia Dept. of Labor

IL

Department of Revenue, Retailers Occupation Tax  
Director of Labor

IN

IN Employment Security Division  
Indiana Dept. of Revenue

KS

Kansas Dept of Revenue  
Kansas Employment Security Fund

KY

State Treasurer  
Treasurer, KY Unemploy. Ins Fund

LA

Department of Revenue  
Dept of Agriculture  
Office of Employment Security

MA

Department of Revenue  
Commonwealth of Massachusetts  
Mass. Division of Employment Sec.  
Dept of Employment & Training

MD

Comptroller of Maryland  
Maryland Income Tax Division  
Maryland Unemploy. Ins. Division

MI

Department of Treasury  
State of Michigan Treasurer  
Michigan Employment Sec. Com.

MN

Department of Revenue  
Minnesota UC Fund

MS

State Tax Commission  
Department of Revenue  
Mississippi Employment Commission

MO

Department of Revenue  
Missouri Withholding Tax  
Division of Employment Security  
City Treasurer  
Ronald Leggett, Collector of Rev.

NC

North Carolina Dept of Revenue  
Employment Security Commission  
NC Division of Motor Vehicles  
State Tax Commissioner  
Job Service North Dakota

NE

Nebraska Dept. of Revenue  
Nebraska UC Fund

NJ

State of New Jersey  
NJ Division of Taxation  
NJ Employment Sec. Agency

NM

Revenue Division  
New Mexico Employ Sec. Dept.  
Taxation & Revenue Dept

NV

State of Nevada  
Nevada Employment Security Dept



NY

Department of Taxation and Finance  
New York State Income Tax  
New York State Unemploy Ins.  
NY State Unemploy FM & B

OH

Treasurer, State of Ohio  
Ohio Bureau of Employment Services  
Ohio School District Inc. Tax  
Department of Taxation  
Department of the Treasury

OK

Tax Commission  
Oklahoma Employ. Security Comm.

OR

Department of Revenue, Employment Division

PA

Department of Revenue  
PA, Personal Income Tax Bureau  
PA Unemployment Compensation

SC

Department of Revenue  
Tax Commission  
Employ Security Comm.  
South Dakota Unemployment Ins. Div  
S C Tax Commission, Sales & Use Tax Division

TN

Department of Revenue  
Tennessee Secretary of State

TX

Comptroller of Public Accounts  
Texas Employment Commission

UT

State Tax Commission  
Utah Unemployment Comp Fund

VA

Department of Taxation

Virginia Employment Commission  
State Corporation Commission

WA

State Department of Revenue  
Employment Security Dept.

WI

Wisconsin Dept. of Revenue  
Unemployment Compensation Div.

WV

State Tax Department  
Bureau of Employ Programs, UC Div  
Dept of Tax Revenue  
W. V. Secretary of State  
West Va Dept of Rev  
Internal Audit Division

(b) LOCAL

AL

Baldwin County  
City of Spanish Fort  
Jefferson County  
City of Mobile  
City of Mountain Brook  
City of Hoover  
City of Birmingham  
City of Auburn  
City of Gadsen

AR

City of Little Rock  
City of North Little Rock  
City of Jonesboro  
City of Rodgers

AZ

City of Phoenix  
City of Scottsdale  
City of Chandler

CA

City of Los Angeles

City of Newport Beach  
City of San Francisco  
City of San Diego  
City of Costa Mesa  
City of Fresno  
City of Visalia  
City of Merced  
City of Modesto  
City of San Luis Obispo  
City of Woodland  
City of Stockton  
City of Bakersfield  
City of Clovis  
City of Redding  
City of Antioch  
City of Eureka  
City of Yuba  
City of Capitola  
City of Palmdale  
City of Palm Springs  
City of Hanford  
Sacramento County  
City of San Bernardino  
City of Watonville  
City of Tracy  
City of Santa Rosa  
City of Riverside  
City of Redlands  
City of Indio  
City of Hemet  
City of Victorville  
City of Moreno Valley  
City of Pleasanton  
City of San Jose  
Town of Corte Madera  
San Francisco Tax Collector

CO

City of Aurora  
City & County of Denver Department of Revenue  
Denver Fire Prevention Bureau  
City of Lone Tree

DE

City of Wilmington, DE

FL

Miami/Dade County  
Palm Beach County  
City of palm Beach Gardens  
City of Adventura  
Orange County  
City of Orlando  
Seminole County  
City of Sanford  
City of Ocoee  
City of Altamonte Springs  
City of Volusia  
City of Daytona Beach  
City of Mary Esther  
Okaloose County  
City of Panama City  
City of Jacksonville/Duval County  
Hillsborough County  
City of St. Petersburg  
City of Tampa  
City of Clearwater  
City of Pembroke Pines  
Broward County  
City of Fort Myers  
Lee County  
City of Fort Lauderdale  
City of Naples  
Village of Wellington  
Doris Maloy, Tax Collector Leon County  
Lynwood Roberts, Tax Collector  
Earl K. Wood, Orange County Tax Collection  
Chris Hughes, Okaloosa County Tax Collection  
Tax Collector Palm Beach County  
Mike Hogan Tax Collector, Jacksonville, FL  
City of Winter Park, Permits & Licensing Dept.  
Okaloosa County Tax Collection  
City of Sanibel  
Danise D. Henriquez, CFC  
Lee County Tax Collector  
Bureau of Elevator Safety

GA

City of Atlanta  
DeKalb County  
Columbus Consolidated Government  
City of Albany/Dougherty County

City of Savannah  
Augusta License & Inspection  
City of Alpharetta  
Gwinnett County  
City of Douglasville  
Athens-Clarke County  
City of Macon  
City of Union City  
Cobb County  
City of Morrow  
Bibb County Courthouse

## IL

City of Calumet  
Evergreen Park Business License  
City of Joliet  
Village of North Riverside  
Village of Vernin Hills  
Village of Schaumburg  
City of Peoria  
Village of Bolingbrook  
Village of Deer Park  
Village of Orland Park  
Village of Schaumburg

## KY

City of Florence Kentucky  
City of St. Matthews  
Lexington-Fayette Urban County Government  
Lexington-Fayette Urban Cnty Govt  
Louisville/Jefferson Cnty Rev Comm  
City of Owensboro  
City of Elizabethtown  
Kenton County Fiscal Court  
Treasurer of Bowling Green  
City of West Buechel  
City of Shively  
Warren County Schools  
City of Lexington

## LA

City of Baton Rouge  
City of Kenner  
City of Slidell  
City of Lafayette  
Parish of Jefferson

## MD

Clerk of the Circuit Court, Rockville, MD  
Clerk of the Circuit Court, Hagerstown, MD  
Clerk of the Circuit Court, Frederick, MD  
Clerk of the Circuit Court, Cumberland, MD  
Clerk of the Circuit Court, Annapolis, MD  
Clerk of the Circuit Court, Columbia, MD

## MI

Battle Creek City Treasurer  
Treasurer, City of Detroit  
Flint City Treasurer  
Treasurer, City of Jackson  
City of Lansing Treasurer  
City of Muskegon  
City of Saginaw  
Grand Rapids City Treasurer  
Port Huron Income Tax

## MO

City of Des Peres  
City of Springfield  
City of St. Ann  
City of Joplin  
Jasper County Collector  
City of St. Louis  
City of Richmond Heights  
City of Chesterfield  
City of Columbia  
City of Crestwood  
Cape Girardeau County  
City of Independence  
City of Kansas City  
Green County  
Boone County  
City of St. Peters  
County Collector Charles County  
St. Louis County

## MS

City of Ridgeland  
City of Southaven

## NC

City of Durham

City of Raleigh  
City of Greensboro  
City-County Tax Collector – Charlotte, NC  
City of Winston-Salem  
Town of Cary  
City of Fayetteville  
Town of Pineville  
Guilford County Tax Department  
Wake County Revenue Dept  
Buncombe County Tax Collector  
Forsyth County Tax Collector  
City of Asheville  
Town of Pineville

NJ

Borough of Eatontown  
Borough of Paramus  
Township of Lawrence

NV

Carson City Treasurer  
City of Reno  
Clark County

NY

New York City Income Tax  
Yonkers City Income Tax  
CLICNY

OH

Lorain City Income Tax  
Lima City Treasurer  
City of Lancaster, Income Tax  
City of Kettering  
Kent City Income  
Village of Jeffersonville  
City of Huber Heights  
City of Heath Income Tax Bureau  
City of Hamilton  
City of Franklin  
City of Findlay, OH  
City of Forest Park  
City of Fairlawn, Div. of Taxation  
City of Fairborn  
City of Euclid

Delaware city Income Tax  
Defiance City - Income Tax  
City of Dayton, Ohio  
City Treasurer-Income Tax  
City of Cleveland Heights  
City of Cincinnati  
City of Chillicothe, Income Tax  
City of Centerville  
City of Canton  
City of Beachwood  
City of Akron, Ohio  
Mansfield City Income Tax Dept  
City of Miamisburg  
City of Middletown  
City of Morain  
Newark City Income Tax  
City of New Carlisle  
New Phila - Income Tax  
City of Niles, OH Inc. Tax  
City of N. Canton  
Northwood Dept. of Taxation  
City of Ontario  
City of Parma-Division of Tax  
Piqua Inc Tax Dept  
City of Sandusky Income Tax  
City of Solon Div. of Tax  
Springdale Tax Commission  
City of Springfield  
City of Steubenville  
Tax Administrator, City of Stow  
Commissioner of Taxation City of Toledo  
City of Westerville  
City of Youngstown  
City of Zanesville  
CCA Division of Taxation  
R.I.T.A.  
F U T A – Cincinnati, OH

OR

City of Tigard  
City Of Portland

PA

Township of Abington  
Upper Merion Township  
Lower Merion Township



North Hills School District  
Keystone Municipal Collections – Irwin, PA  
Legal tax services – Pittsburgh, PA  
Central Tax Bureau – Berwick, PA  
Mercantile Tax – Aliquippa, PA  
Altoona Area School District  
City of Hermitage  
HAB BPT – Bangor, PA  
Central Tax Bureau – Bridgeville, PA  
Borough of Homestead  
Central tax Bureau – Verona, PA  
North Hills School District  
Parkland School District  
Altoona Area School District  
Avalon Boro  
Municipality of Bethel Park  
Bethlehem Tax Bureau  
EIT Collector Bridgeport, PA  
Butler Area SD Earned Income  
West Shore Tax Bureau  
NASD Tom EIT  
Chambersburg Area Wage Tax Office  
PA Municipal Service Co.  
Kratzenberg & Associates  
Borough of Dravosburg  
Mrs. Margaret DeMasy, Receiver of Taxes  
Fleetwood Area EIT, Bureau  
Southwest Regional Tax Bureau  
Berkheimer Assoc. - Greentree Boro  
City of Hatfield  
C.D. Area Income Tax Office  
Lancaster County Tax Collection  
S W R T B, Jeanette  
Lebanon Co EIT Bureau  
West Shore Tax Bureau  
Adams County EIT Agency  
Victoria Farina, City Treasurer  
City of Mechanicsburg  
Central Tax Bureau  
McKean Township Local Tax Bureau  
John Knezovich/ McKeesport  
Tax Office School District EIT  
City of Middletown  
Carol Reuther, Tax Collector  
City of Mt.Lebanon  
Anna W. Lasher, Tax Collector

Ned R. Barlieb, Tax Collector  
West Shore Tax Bureau  
New Kensington City Treasurer  
Norwin School District Tax Office  
Central Dauphin Area Inc.  
Berkheimer Assoc.  
City of Philadelphia  
Treasurer, City of Pittsburgh  
City of Quakertown  
Frank Murgia Tax Collector  
North Hills School District  
Scott Township Tax Office  
York Area EIT Bureau  
HAB EIT, Springville  
HAB - EIT, Stroudsburg  
K Ray Stauffer EIT Offices  
Mark J. Brukardt Tax Collector  
Municipal Tax Bureau/Warminster  
Edward W. Abel Collector  
William D Elden Collector  
Berks EIT Bureau/West Lawn  
Jordan Tax Service Inc.  
Borough of West View  
Whitehall Twp EIT Div  
Don Wilkenson Agency  
Berks E.I.T. Bureau  
York County, E.I.T. Bureau  
Southern Leigh Earned Income Tax Office

#### SC

City of Greenville  
Richland County Treasury  
Charleston County Treasurer  
City of Myrtle Beach  
SC Dept of Revenue

#### TN

Shelby County Clerks Office  
City of Murfreesboro  
Rutherford County Clerk  
Town of Collierville  
Madison County Clerk  
City of Jackson  
Davidson County Clerk  
City of Goodlettsville  
City of Franklin

Williamson County Clerk  
Williamson County Trustee  
City of Franklin, Business Tax Dept  
City of Knoxville  
Trustee Knox County  
Davidson County Clerk  
Elaine Anderson, Williamson County Clerk, City Tax Collector  
Bill Kemp, Sumner County Clerk  
City of Hendersonville

VA

County of Fairfax  
City of Henrico  
Norfolk City Treasurer  
Commission of Revenue – Virginia Beach, VA  
City of Chesapeake  
Treasurer of Chesterfield  
Treasurer of City of Hampton  
Treasurer of City of Roanoke  
Commissioner of Revenue – Colonial Heights, VA  
Commissioner of Revenue – Lynchburg, VA  
City of Newport News  
County of Loudoun  
County of Alexandria  
City of Lynchburg  
State Corporation Commission – Richmond, VA

WV

City of Charleston  
Kim Wolf - Cabell County Courthouse – Huntington, WV  
City of Barboursville  
Village of Barboursville

**Significant Equity Holders (greater than 5%)**

Bestinver Gestión S.G.I.I.C. S.A.  
David W. Rose

**Finlay Enterprises, Inc. - Current Directors**

David B. Cornstein  
Rohit M. Desai (former director)  
Louis Lipschitz  
Norman S. Matthews  
Thomas M. Murnane  
Arthur E. Reiner

**Finlay Enterprises, Inc. - Current Officers**

David B. Cornstein – Chairman Emeritus  
Arthur E. Reiner – Chairman, President and CEO  
Joseph Melvin – Exec. VO and COO  
Leslie A. Philip – Exec. VP and Chief Merchandising Officer (retired)  
Bruce Zurlnick – Sr. VP, Treasurer and CFO  
Bonni G. Davis – VP, Secretary and Gen. Counsel

**Finlay Enterprises, Inc. - Former Directors (up to 3 years)**

Ellen R. Levine  
Michael Goldstein  
John Kerin  
Richard Kroon  
Charles McCarthy

**Finlay Fine Jewellery Corp. - Current Directors**

David B. Cornstein  
Rohit M. Desai (former director)  
Louis Lipschitz  
Norman S. Matthews  
Thomas M. Murnane  
Arthur E. Reiner

**Finlay Fine Jewellery Corp. - Current Officers**

Arthur E. Reiner – Chairman and CEO  
Joseph Melvin – President and COO  
Leslie A. Philip – Exec. VP and Chief Merchandising Officer (retired)  
Joyce Manning Magrini – Exec. VP  
Bruce Zurlnick – Sr. VP, Treasurer and CFO  
James M. Giantomenico – Sr. VP, Treasurer and CFO  
Thomas G. Lozier – Sr. VP  
Debroah A. Dixon – Sr. VP  
Bonni G. Davis – VP, Secretary and Gen. Counsel  
Joan M. Durkin – VP and Corporate Controller  
Richard G. Davenport – VP  
Karin Knudsen – VP  
Charles J. Leavy – VP  
Cathleen A. Lull – VP  
William L. McKinney – VP  
Stuart C. McLean – VP  
John P. Orr – VP  
Raymond J. Poulin – VP  
Shelly L. Schneider – VP  
Norma L. Wilson - VP

**Finlay Fine Jewellery Corp. - Former Officers (up to 3 years)**

Edward Stein

Kevin Flanagan  
Al Jung Jr.  
Gail McDaniel  
Janice Ronito Messinger  
Cassia Rustad

**Finlay M&B - Current Directors**

Arthur E. Reiner  
Joseph M. Melvin  
Leslie A. Philip (retired)  
Bruce E. Zurlnick  
Bonni G. Davis

**Finlay M&B - Current Officers**

Arthur E. Reiner – Chairman, President and CEO  
Joseph Melvin – Exec VP and COO  
Leslie A. Philip – Exec. VP and Chief Merchandising Officer (retired)  
Bruce Zurlnick – Sr. VP, Treasurer and CFO  
Bonni G. Davis – VP, Secretary and Gen. Counsel

**eFinlay - Current Directors**

Arthur E. Reiner  
Joseph M. Melvin  
Leslie A. Philip (retired)  
Bruce E. Zurlnick  
Bonni G. Davis

**eFinlay - Current Officers**

Arthur E. Reiner – Chairman, President and CEO  
Joseph Melvin – Exec VP and COO  
Leslie A. Philip – Exec. VP and Chief Merchandising Officer (retired)  
Bruce Zurlnick – Sr. VP, Treasurer and CFO  
Bonni G. Davis – VP, Secretary and Gen. Counsel

**Finlay Jewelry, Inc.- Current Directors**

Arthur E. Reiner  
Joseph M. Melvin  
Leslie A. Philip (retired)  
Bruce E. Zurlnick  
Bonni G. Davis

**Finlay Jewelry, Inc. - Current Officers**

Arthur E. Reiner – Chairman, President and CEO  
Joseph Melvin – Exec VP and COO  
Leslie A. Philip – Exec. VP and Chief Merchandising Officer (retired)  
Bruce Zurlnick – Sr. VP, Treasurer and CFO

Bonni G. Davis – VP, Secretary and Gen. Counsel

**Carlyle & Co. - Current Directors**

Russell L. Cohen

John K. Cohen

Joseph M. Melvin

Arthur E. Reiner

Bruce E. Zurlnick

**Carlyle & Co. - Current Officers**

Russell L. Cohen – Chairman and Co-CEO

John K. Cohen – President and Co-CEO

Bruce E. Zurlnick

Joseph M. Melvin – Sr. VP, Treasurer, and CFO

Bonni G. Davis – VP, Secretary and Gen. Counsel

Ronnie S. Grabon – VP Human Resources

Sue C. Haire – VP Merchandising and Marketing

Michael L. Hudson – VP Director of Stores

Suzanne Quentz – VP and Controller

Ronald E. Swanson – VP Information Technology

**Carlyle & Co. - Former Officers (up to 3 years)**

Paul Sutton

**Park Promenade - Current Directors**

Russell L. Cohen

John K. Cohen

Joseph M. Melvin

Arthur E. Reiner

Bruce E. Zurlnick

**Park Promenade - Current Officers**

Russell L. Cohen – Chairman and Co-CEO

John K. Cohen – President and Co-CEO

Bruce E. Zurlnick

Joseph M. Melvin – Sr. VP, Treasurer, and CFO

Bonni G. Davis – VP, Secretary and Gen. Counsel

Ronnie S. Grabon – VP Human Resources

Sue C. Haire – VP Merchandising and Marketing

Michael L. Hudson – VP Director of Stores

Suzanne Quentz – VP and Controller

Ronald E. Swanson – VP Information Technology

**Park Promenade - Former Officers (up to 3 years)**

Paul Sutton

### **L. Congress - Current Directors**

Leon Benzrihem  
Douglass J. Congress  
Scot M. Congress  
Bonni G. Davis  
Joseph M. Melvin  
Arthur E. Reiner  
Bruce E. Zurlnick

### **L. Congress - Current Officers**

Scot M. Congress – President  
Leon Benzrihem - COO  
Douglass J. Congress – VP, Secretary and Treasurer  
Bruce E. Zurlnick – Sr. VP, CFO and Ass't Treasurer  
Bonni G. Davis – VP, Ass't Secretary and Gen. Counsel

### **Former Employees of Debtor or Underwriting Investment Bankers now at WGM**

#### **Professionals**

Alvarex & Marsal North America, LLC  
Cannon & Co.  
Davis Wright Tremaine  
DJM Realty Services, LLC  
Edward P. Tewkesbury, Esq.  
Jackson Lewis LLP  
Kramer Levin LLP  
Littler Mendelson PC  
Mark Weiss  
Mason Retail Group  
NachmanHaysBrownstein, Inc.  
Proskauer Rose LLP  
Ray Altman, Esq.  
Shaw Valenza LLP  
Troutman Sanders LLP  
Weil Gotshal & Manges LLP

#### **Competitors**

#### **Shipping Companies**

Barthco International Inc.  
Brinks Inc.  
Greater Bay Area  
Sarcona Trucking Company Inc.  
United Parcel Service

**Licensors – Departments Stores**

Carson Pirie Scott  
Bergner's  
Bloomingdale's  
Bloomingdale's-D. Yurman Boutque  
The Bon-Ton  
Boston Store  
Dillard's  
Elder Beerman  
Gottschalks  
Herberger's  
Lord & Taylor  
Macy's Central  
Macy's Midwest  
Macy's North  
Macy's Northwest  
Macy's South  
Parisian  
Younkers

**Lessors – Stand-Alone Stores**

Amerishop Suburban, LP  
Asheville, LLC - CBL Associates, LP  
Aventura Mall Venture  
Annapolis Mall LP  
Bayer Retail Company, LLC  
Beachwood Place Mall, LLC  
Bellevue Square Managers, INC.  
Biltmore Shopping Center Partners, LLC  
Cafaro  
Carolina Place, LLC  
Carroll/1709, Ltd.  
CBL  
Cencor Realty Services  
Cherry Hill Center, Inc  
Chicago Title and Trust Company  
Christiana Mall, LLC  
Citadel Mall CMBS, LLC  
Coastland Center, L.P.  
Columbia Mall, INC  
Corte Madera Village, LLC  
Cross Creek Mall, LLC  
CVM Holdings, LLC  
Davis St. Land  
DDRC P&M Deer Park Town Center, LLC  
Destin Commons, LTD



Developers Diversified Realty Corp  
DuPont de Nemours and Company, LLC  
Edison Mall Business Trust  
Egerton K. van den Berg, as Trustee  
E.I. Du Pont  
Fairfax Company of Virginia L.L.C.  
Fashion Centre Associates  
Feldman  
Florida Mall Associates  
FMP Tallahassee, LLC  
Forbes/Cohen Properties  
Forbes Taubman  
Galleria Mall Investors  
General Growth Management, Inc.  
General Growth Properties, Inc  
Glendale Ohrbach's Associates  
Grassco  
Harsch Investment Realty, LLC, Series E  
HG Shopping Centers, LP  
Huntington Mall Company  
Hycel Partners I, LP  
Indian Lake Specialty Center, LLC  
Inland American Retail Management  
Irving Park Shops, LLC  
Jacksonville Avenues, LP  
JG Winston Salem, LLC  
Jones Lang Lasalle Americas, Inc.  
Kemper Freeman, Jr.  
King of Prussia Associates  
Kimco  
Kravco/Simon  
La Cantera Retail Limited Partnership  
LaSalle National Bank of Chicago. Trustee for Trust No. 49475  
LaSalle Bank National Association Trustee under Trust 48700  
LUK-MB1, LLC  
Macerich Company  
Macerich/Westcor Partners, LLC  
Macon Mall, LLC  
Mall of Georgia, LLC  
McCaffery  
Meadowood Mall, LLC  
Mellon Bank N.A.  
Minanis, Inc, A Florida Corporation  
Mission Viejo Associates, LP  
Montgomery Mall, LLC  
Moody Rambin Interests, Inc.

Nasher Co. , Raymond D.  
New Castle Associates  
Northpark Center, LTD  
Park Tower Apartments, LLC  
Partridge Creek Fashion Park, LLC  
Penn Ross Joint Venture  
Perimeter Mall, LLC  
Periwinkle Place, Inc.  
Poag & McEwen  
Prado Acq. c/o Wharton Realty Grp  
Preit Services, Llc  
Reno Retail Company, LLC  
The Retail Property Trust  
River Ridge Mall, LLC  
Rouse F.S., LLC,  
Rouse-Park Meadows LLC  
Sarsaparilla Limited Partnership  
Saucon Valley Lifestyle Center, LP  
Shoppes at River Crossing, LLC  
Shopping Center Associates  
Shook Properties, Inc.  
Short Hills Associates, LLC  
Simon Property Group  
Scottsdale Fashion Square Partnership  
Somerset Collection Limited Partnership  
South Broad  
South Coast Plaza  
South Hills Village Associates, LP  
SouthPark Mall, LP  
Southpoint Mall, LLC  
SPGIL Domain, LP  
SPI Westgate LLC  
St. Johns Town Center, LLC  
Stoneridge Properties, LLC  
Stonestown Shopping Center, LP  
Tampa Westshore Associates Limited Partnership  
Taubman Company, Inc.  
Taubman Cherry Creek Shopping Center, LLC  
Tikal Real Estate Holding, II, LLC  
TJ Palm Beach Associates Limited Partnership  
Town & Country Partnership  
TRG Charlotte, LLC  
Turnberry  
Tyson's Corner Holdings, LLC  
Valley Square Lifestyle, LP  
Van den Berg

VF Mall LLC  
Washington Square, Inc.  
Westchester Mall, LLC  
West Farms Mall, LLC  
Westfield Corporation, Inc.  
West Town Mall, LLC  
W. Fred Williams  
WG Park, LP  
Williams  
Willow Bend Associates Limited Partnership  
Wolfchase Galleria Limited Partnership  
The Woodlands Mall Associates, LP  
WP 215 Broad, LP c/o Equivest Management, Inc.

**Lessor – Corporate Office**

529 Fifth Company Holdings, LLC

**Lessors – Storage Space**

A Storage Inn  
Fashion Center Associates LLC  
HG Galleria, I, II, III, LP  
Joyce Brothers Storage and Van Co.  
Joyce Records Center  
Locker Room  
Montgomery Mall Limited Partnershi  
Oak Court Mall  
Park Meadows Self Storage  
Plano Superior Storage  
Public Storage/08395 Portland/Barbur Bl & Multonomah  
Public Storage Management Inc.  
South Hills Village Associates, L.P.  
StorAmerica Scottsdale 2102  
Tysons Corner Holdings LLC.

**Credit Card Processors**

Citibank  
Shopper's Charge Account Co.  
Diner's Club

**Litigation Adversaries**

Bessie Acey  
CA Labor Commissioner  
Carlyle Montgomery  
Diamond Associates  
District Attorney's Office, El Dorado County, CA  
Emily Sampson

Georgia State Governor's Office of Consumer Affairs

Jacqueline Brown

Josie Macadangdang

Karen Wayman

L.I.D.

Loewi's Jewelry

Nilda Valadez

Rejenia Bryant

Timothy & Cynthia Holt

Vionta Jones

Shirley Sawdy

UFCW Local 21

UFCW Local 367

U.S. Department of Labor

Wisconsin State Attorney General

### **Unions**

### **Utilities**

Alltell

All American Waste, LLC

All States Services

AmerenUE

American Building Maintenance

Appalachian Power

Aramark Refreshment Services

Artesian Water Co

AT&T

BGE

Bonita Springs Utilities

Capital Waste, Inc.

Centerpoint Energy Entex

Central Georgia EMC

City of Ft Myers

City of Greensboro Utilities

City of Houston Water

City of Hurst Utility

City of Southlake

City of Winter Park Utilities

Comcast

ComEd

ConEdison

Cox Communications

CPS Energy

Deltacom

Demars Landscaping, LLC

Duke Energy  
Embarq  
Entergy  
FlaggCreekWater(FCWRD)  
Florida Power & Light  
FMP Tallahassee  
Georgia Power  
GGP - Four Seasons  
Ginny Bissel  
Gulf Power  
The Illuminating Co  
IEM - Int'l Environmental Mngmt  
Kaback Enterprises  
Keys Energy Services  
Knoxville Utilities Board  
Lee County Electric Coop  
Manhattan Plants  
Memphis LG&W  
Mesa Consolidated Water  
Muzak  
Nashville Electric  
Nuvox  
NV Energy  
Orlando Utility Commission  
Pacific Power  
Paetec  
Peco Energy  
PEPCO  
PG&E  
Piedmont Natural Gas  
Playnetwork Inc  
PPL Electric Utilities  
Progress Energy  
PSE&G  
Puget Sound Energy  
Regional Water Authority  
Reliant Energy  
Retail Radio  
River Ridge  
Saucon Valley Lifestyle Center LLC  
Santee Cooper  
SCS  
Southern California Edison  
Southern CT Gas Co  
Southpark Mall  
Sprint

SRP (Salt River Project)  
Suez Energy Resources  
Sunshine Recycling, Inc.  
Time Warner  
TQC  
Tri-County Elec  
TXU Energy  
UGI Utilities Inc  
United Illuminating Company  
Upper Marion Sewer Revenue  
Vendrite Vending  
Veolia  
Verizon  
Verizon Wireless  
Village of OakBrook,IL  
Village of Orland Park  
Waste Management  
Waltham Services, Inc.  
West Town Mall  
Windstream NC Inc  
WV-American Water Co  
XCEL Energy

**Insurance Providers**

Brick Street Mutual Ins. Co.  
Dept. of Labor & Industries  
Dept. of Workforce Safety & Ins.  
Federal Ins. Co. (Chubb)  
The Hartford  
Illinois Union Ins. Co.  
Jewelers Mutual Ins. Co.  
Landmark American Ins. Co.  
Lexington Ins. Co.  
Markel American Ins. Co.  
National Union Fire Ins. Co. of Pittsburgh, PA  
Northwestern Mutual Life Ins. Co.  
Ohio Bureau of Workers' Compensation  
Security Mutual Life Ins. Co  
State Farm Mutual Auto. Ins. Co.  
St. Paul Mercury Ins. Co. (Travelers)  
St. Paul Travelers  
Tokio Marine and Fire Ins. Co.  
Underwriters at Lloyds, London  
United States Life Ins. Co.  
Vigilant Ins. Co.  
Zenith Ins. Co.

## **Proposed Order**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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<b>In re</b>	:	<b>Chapter 11 Case No.</b>
	:	
<b>FINLAY ENTERPRISES, INC., et al.,</b>	:	<b>09-14873 (JMP)</b>
	:	
<b>Debtors.</b>	:	<b>(Jointly Administered)</b>
	:	
-----X		

**ORDER PURSUANT TO SECTION 327(a) OF  
THE BANKRUPTCY CODE AUTHORIZING RETENTION AND  
EMPLOYMENT OF ASSET DISPOSITION ADVISORS LLC AS  
ASSET DISPOSITION ADVISOR AND CONSULTANT FOR THE  
DEBTORS NUNC PRO TUNC TO THE COMMENCEMENT DATE**

Upon the application dated August 25, 2009 (the “Application”) of Finlay Enterprises, Inc. and its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors in possession (together, “Finlay” or the “Debtors”), pursuant to section 327(a) of chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”), for authorization to retain and employ Asset Disposition Advisors LLC (“ADA”) as asset disposition advisor and consultant for the debtors *nunc pro tunc* to the date of commencement of these chapter 11 cases, all as more fully set forth in the Application and the ADA letter agreement dated February 20, 2009 (the “ADA Agreement”); and upon consideration of the Affidavit of Barry Gold in support of the Application, sworn to on the August 21, 2009 (the “Gold Affidavit”); and the Court having jurisdiction to consider the Application and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the Standing Order M-61 Referring to Bankruptcy Judges for the Southern District of New York Any and All Proceedings Under Title 11, dated July 10, 1984 (Ward, Acting C.J.); and consideration of the Application and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court



pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Application having been provided to (i) the Office of the United States Trustee for the Southern District of New York (the “U.S. Trustee”), (ii) the attorneys for General Electric Capital Corporation, as agent under that certain Fourth Amended and Restated Credit Agreement dated as of November 9, 2007, (iii) the attorneys for Wilmington Trust Company, as successor trustee under that certain second lien indenture dated as of November 26, 2008, (iv) the attorneys for HSBC Bank USA, as trustee under that certain third lien indenture dated as of November 26, 2008, (v) the attorneys for the official committee of unsecured creditors appointed in these chapter 11 cases, (vi) the U.S. Securities and Exchange Commission, and (vii) all parties entitled to notice pursuant to this Court’s Order Implementing Certain Notice and Case Management Procedures dated August 6, 2009. and it appearing that no other or further notice need be provided; and a hearing (the “Hearing”) having been held to consider the relief requested in the Application; and the appearances of all interested parties having been noted in the record of the Hearing; and all of the proceedings had before the Court; and the Court having found and determined that the relief sought in the Application is in the best interests of the Debtors, their estates and creditors, and all parties in interest and that the legal and factual bases set forth in the Application establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Motion is granted as set forth herein; and it is further

ORDERED that the Debtors are authorized to employ and pay ADA the fees as set forth in the Application and in accordance with the ADA Agreement, subject, however, to interim and final allowance in accordance with sections 330 and 331 of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local Bankruptcy Rules for the Southern District of

New York, any guidelines established by the United States Trustee for the Southern District of New York, and any further orders of this Court; and it is further

ORDERED that the U.S. Trustee retains all rights to object to ADA's interim and final fee applications (including expense reimbursement) on all grounds including but not limited to the reasonableness standard provided for in section 330 of the Bankruptcy Code; and it is further

ORDERED that in the event that ADA seeks reimbursement for attorneys' fees from the Debtors pursuant to the ADA Agreement, the invoices and supporting time records from such attorneys shall be included in ADA's own applications (both interim and final) and such invoices and time records shall be subject to the U.S. Trustee's guidelines for compensation and reimbursement of expenses and the approval of the Court under the standards of sections 330 and 331 of the Bankruptcy Code; and it is further

ORDERED that this Court will retain jurisdiction to construe and enforce the terms of the Application, the ADA Agreement, and this Order.

Dated: September \_\_, 2009  
New York, New York

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UNITED STATES BANKRUPTCY JUDGE